

UNITED STATES DISTRICT COURT
DISTRICT OF MASSACHUSETTS

SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

v.

Case No. 1:14-civ-11858-NMG

TELEXFREE, INC.,
TELEXFREE, LLC,
JAMES M. MERRILL,
CARLOS N. WANZELER,
STEVEN M. LABRIOLA,
JOSEPH H. CRAFT,
SANDERLEY RODRIGUES DE VASCONCELOS,
SANTIAGO DE LA ROSA,
RANDY CROSBY and
FAITH R. SLOAN,

Defendants,

and

TELEXFREE FINANCIAL, INC.,
TELEXELECTRIC, LLLP and
TELEX MOBILE HOLDINGS, INC.,

Relief Defendants.

DECLARATON OF MARK ALBERS

Mark Albers, pursuant to 28 U.S.C. §1746, hereby declares as follows:

1. I am a Forensic Accountant in the Boston Regional Office of plaintiff Securities and Exchange Commission (“the Commission”). My duties include conducting investigations relating to potential violations of the federal securities laws.

2. My relevant professional experience includes: (a) nearly three years as an Auditor for Deloitte and Touche LLP; (b) thirteen years as a Forensic Accountant for Deloitte

Financial Advisory Services LLP, where I investigated financial statement fraud, asset misappropriation fraud, bribery and corruption, and securities litigation cases; and (c) nearly three years as a Senior Staff Accountant for the Securities and Exchange Commission's Enforcement Division.

3. I hold a Bachelor's of Science in Business Administration with a concentration in Accounting from Michigan State University. I am a Certified Public Accountant in the state of Illinois and I am a Certified Fraud Examiner.

4. I make this declaration based upon my personal knowledge as set forth below and in support of the Commission's motion to hold defendant Sanderley Rodrigues de Vasconcelos ("Rodrigues") in civil contempt.

5. I was asked to review certain documents, including bank statements, bank transaction documents, and bank wire transfer records concerning personal and business accounts under the control of Rodrigues, as well as bank accounts belonging to defendants TelexFree, Inc. and TelexFree, LLC (collectively "TelexFree"). Members of the Commission's accounting staff working under my supervision assisted with the review of these documents.

6. The documents reflect that Rodrigues conducted financial and other transactions through a number of shell companies: Atlantic Star USA Inc. ("Atlantic Star"), Atlas Global Trust LLC ("Atlas Global"), Ayin Investments, LLC ("Ayin Investments"), JMJM Logistics LLC ("JMJM"), SCZV LLC ("SCZV"), SMA Logistics, LLC ("SMA Logistics"), VICSS, Inc. ("VICSS"), World Global Business Inc. ("World Global"), WWW Global Business Inc. ("WWW Global"), and ZVX Investment Corp. ("ZVX Investment").

7. On April 19, 2014, Rodrigues was served with the Temporary Restraining Order, Order Freezing Assets, and Order for Other Equitable Relief (Dkt. #30). At that time, Rodrigues had two open accounts for himself and his wife, and a total of six open accounts for some of his

shell companies. As shown in the table below, the accounts held a total of more than \$1.5 million as of April 19, 2014.

Account Name	Bank	Account #	Balance as of 4/19/14
Rodrigues & his wife	Wells Fargo	xxxx0153	\$1,270,771
JMJM Logistics	BMO Harris	xxxx7205	-\$52
	JPMorgan Chase	xxxx5661	-\$144
SMA Logistics	BMO Harris	xxxx6934	\$16,350
WWW Global	BMO Harris	xxxx6837	\$3,200
	JPMorgan Chase	xxxx7958	\$211,498
ZVX Investment	BMO Harris	xxxx0869	\$25,166
			\$1,536,790

8. The bank records reflect that, between April 21 and April 25, 2014, Rodrigues withdrew a total of \$21,600 from the BMO Harris accounts for SMA Logistics and ZVX Investment.

9. The bank records reflect that, on May 1, 2014, Rodrigues withdrew \$211,473 to close the JPMorgan account for WWW Global. The withdrawal – which JPMorgan has indicated was processed by mistake – was in the form of a cashier’s check payable to a third party that was deposited into the account of an entity called Five Star Investments & Properties LLC (“Five Star”).

10. Between May 2014 and February 2015, Rodrigues used an account at PayPal, an online payment service provider, to deposit more than \$152,000 and withdraw more than \$176,000. The available documents do not identify the source of all funds that passed through the PayPal account.

11. Between June 2014 and April 2015, Rodrigues opened a total of five new accounts for himself and some of his shell companies at BMO Harris, Regions Bank

(“Regions”), SunTrust Bank (“SunTrust”), and CenterState Bank of Florida (“CenterState”). As shown in the table below, he used those accounts to deposit more than \$502,000 and withdraw more than \$295,000. The available documents do not identify the source of all funds that passed through the accounts.

Account Name	Bank	Account #	Date Opened	Total Deposits	Total Withdrawals
WWW Global	BMO Harris	xxxx2209	6/18/14	\$419,157	\$274,920
SCZV	BMO Harris	xxxx1644	7/11/14	\$2,398	\$2,269
World Global	SunTrust	xxxx9119	12/19/14	\$50,200	\$18,483
Atlantic Star	Regions	xxxx1634	4/9/15	\$30,500	\$48
Rodrigues	Center State	xxxx3721	4/21/15	\$300	\$175
				\$502,555	\$295,895

12. The accounting that Rodrigues submitted on July 30, 2015 does not identify sixteen accounts in which he had a direct or indirect interest at some point after January 1, 2012.

Account Name	Bank	Account #
Rodrigues	Loyal Bank	xxxx8840
	PayPal	xxxx4686
	Wells Fargo	xxxx7444
	Workers Credit Union	xxxx0687
Rodrigues & his wife	Bank of America	xxxx4086
SCZV	BMO Harris	xxxx0877
		xxxx1644
	Wells Fargo	xxxx5981
SMA Logistics	BMO Harris	xxxx6934
VICSS	Bank of America	xxxx7546
		xxxx9710
	Wells Fargo	xxxx5484
WWW Global	TD Bank	xxxx7958
		xxxx9583
	Wells Fargo	xxxx5727

ZVX Investment	BMO Harris	xxxx0869
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13. The bank records reflect that, from October 2012 through April 2014, business or personal accounts under the control of Rodrigues received more than \$1.35 million from TelexFree or its investors. In the table below, Column A reflects instances where a check or wire transfer was made from a TelexFree bank account to one of Rodrigues's accounts. Column B reflects instances where TelexFree was mentioned in the check memo or wire detail. Column C reflects deposits in the amount of, or multiples of, known TelexFree promoter plan prices (*i.e.*, \$1,425 for an "AdCentral" package). Column D shows the total deposited into each account.

			A	B	C	D
Name on Account	Bank	Account #	Transfers from Telexfree	Funds Received from TelexFree Investors		Total
Rodrigues & his wife	Wells Fargo	xxxx7444	\$0	\$73,000	\$15,675	\$88,675
	Bank of America	xxxx4086	\$16,676	\$0	\$30,971	\$47,647
Rodrigues	Loyal Bank	xxxx8840	\$30,797	\$0	\$0	\$30,797
	Workers Credit Union	xxxx0687	\$0	\$24,947	\$0	\$24,947
SCZV	Wells Fargo	xxxx5981	\$0	\$239,414	\$81,108	\$320,522
VICCS	Bank of America	xxxx7546	\$3,600	\$33,947	\$52,077	\$89,624
		xxxx9710	\$0	\$7,300	\$1,375	\$8,675
	Wells Fargo	xxxx5484	\$0	\$31,350	\$9,975	\$41,325
WWW Global	Bank of America	xxxx9053	\$231,367	\$96,000	\$82,421	\$409,788
	TD Bank	xxxx9583	\$0	\$38,250	\$87,238	\$125,488
	Wells Fargo	xxxx5727	\$0	\$5,867	\$41,325	\$47,192
ZVX Investment	Wells Fargo	xxxx0482	\$0	\$119,000	\$0	\$119,000
			\$282,440	\$669,075	\$402,165	\$1,353,680

Executed this 12th day of August 2015.

/s/ Mark Albers

Mark Albers

Securities and Exchange Commission

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